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DATE: March 5, 2014

FROM: Anthony Mayor – CEO 
West Central Telephone Association (WCTA)

TO: Federal Communications Commission (FCC) Staff

SUBJECT: Expression of Interest – Rural Broadband Experiments
Docket No. 10-90

Background

The West Central Telephone Association (WCTA) is rural telephone cooperative serving approximately 600 square miles of a sparsely populated agricultural service area in West Central Minnesota. As a cooperative, it is wholly owned by its subscriber members, and governed by a 5-member board of directors that is chosen by the members. Originally formed in 1950 to improve rural telephone service options in the area, WCTA now provides several cutting-edge services including FTTH broadband internet service to nearly 100% of its 5 exchange service area, IPTV, “smart home” monitoring and building control technologies, and advanced phone features including IP business phone systems.

Geographic Territory

WCTA is interested in the unserved territories within the price-cap areas contained in the eligible Census Tracts 27159480100, 27159480200, and 271594800300. These areas are entirely within Wadena County in rural west central Minnesota, and WCTA’s current service territory is adjacent to most of these areas. This area is very sparsely populated, with potential customers consisting mainly of rural residents and farms. The area of interest consists approximately of the following Census Blocks:

<u>Census Tract</u>	<u>Census Blocks</u>	<u>Approximate Quantity of Unserved Census Blocks</u>	<u>Eligible Unserved Locations</u>
27159480100	10129 – 1136 (various)	8	28
27159480200	1033 – 6101 (various)	155	584
27159480300	1000 – 6039 (various)	51	131

In serving these 743 Eligible Locations, initial high level estimated potential customer density is approximately 2.73 locations per route mile of construction.

List of Anchor Institutions

Based on the best available information, the unserved areas WCTA is considering building out are entirely rural and do not extend into any significant municipality. As such, no anchor institutions have been identified. WCTA already provides service to many of the anchor institutions in the communities surrounding these unserved areas.

Proposed technology

WCTA proposes to extend its existing FTTH network into these adjacent unserved areas. The proposed technology is an Active Ethernet system capable of 100 Mb/s (symmetrical) service to each subscriber, with upgradeability to 1 Gb/s for specific customers who have a need for greater speeds.

WCTA's current broadband service rates for a bundled package with local telephone service would be offered to the areas proposed in this project:

<u>Speed - Mb/s (Up/Down)</u>	<u>Monthly Price (including telephone)</u>	<u>6 Mb/s Upstream Boost</u>
5 / 1	\$49.95	
10 / 1	\$59.95	\$10.00
20 / 1	\$79.95	\$10.00
40 / 1	\$119.95	\$10.00
50 / 25	\$137.70	
100 / 50	\$197.70	
100 / 100	\$367.70	

State and/or Local or Tribal Government Participation in and/or Support for Project

WCTA has been an active participant in the Region Five Development Commission (R5DC) for the past four years, working with the telecommunications providers in neighboring counties to determine how to best address the gaps in broadband infrastructure within our 5-county region. This highly engaged group of over 600 included representatives from area businesses (including CEOs of 4 critical access hospitals), non-profit agencies, elected officials, utilities, educators, and lay people. State leaders have been looking to the research and feedback provided from this group to help form their own state policies and solution proposals.

In spite of strong support for the project across various levels of government and non-profits, WCTA does not anticipate participation from any other entities with this project.

Existing Providers

CenturyLink is the current telephone provider in the proposed areas. Based on information published by Connect Minnesota (FCC Rural Broadband Phase II Experiment Eligible Locations), the unserved (by broadband) census blocks within the Census Tracts of interest are

all within CenturyLink territory. WCTA is regularly contacted by individuals throughout the proposed areas, inquiring about the potential to receive service from WCTA.

Project Timeline

Scheduling of the proposed project is ultimately dependent on release of funds. Preliminarily, in the best case scenario, construction could commence in June 2015 with turnup of service to new customers completed approximately 12 months later.

Scalability

Because the proposed project extends WCTA's existing FTTH network into adjacent areas, the outside plant cable and electronic equipment placed will be incremental additions to the existing network. This approach provides for a level of scalability that is not possible from a new entrant. Additionally, the FTTH system itself allows for additional scalability over time. As customer bandwidth requirements grow, individual customers can be upgraded as needed.

Total Project Cost

Preliminary planning based on WCTA's actual experience with recent FTTH construction projects very similar in character to the proposed project result in an estimate of probable cost of \$5.5 million. WCTA would likely request one time capital infrastructure support in the total project cost of \$5.5 million.